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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-Q

(Mark One)
X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

BEST COPY AVAILABLE

OR

___ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

092-223

Commission File No. 0-1412

M.H. RHODES, INC.
(Exact name of registrant as specified in its charter)

Delaware	06 0509270
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)
99 Thompson Road, Avon, Connecticut	06001
(Address of principal executive office)	(Zip Code)

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Registrant's telephone number, including area code (203) 673-32

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

L30 Yes X No___

8-8-C

There were, as of March 31, 1992, 210,283 shares of Common Stock outstanding.

PROCESSED BY MAY 15 1992

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

M. H. RHODES, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS	December 31 1991	March 31 1992
ASSETS		
CURRENT ASSETS		
Cash	$ 132,260	$ 161,923
Accounts Receivable	1,780,946	1,637,776
Inventories	4,436,888	4,229,278
Refundable Income Taxes	23,092	22,444
Prepaid Expenses and Other	14,954	69,859
TOTAL CURRENT ASSETS	6,388,140	6,121,280
PROPERTY, PLANT AND EQUIPMENT, AT COST:		
Buildings and Improvements	1,270,698	1,270,698
Machinery and Equipment	2,231,771	2,314,936
Land	65,000	65,000
Sub-Total	3,567,469	3,650,634
Less: Accumulated Depreciation	(2,090,533)	(2,211,847)
NET PROPERTY, PLANT AND EQUIPMENT	1,476,936	1,438,787
INTANGIBLE ASSETS	50,472	49,338
TOTAL ASSETS	$ 7,915,548	$ 7,609,405
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes Payable	687,000	609,680
Current Portion of Long-Term Debt	$ 251,827	$ 251,827
Accounts Payable	1,369,082	1,278,829
Accrued Expenses	634,191	585,161
TOTAL CURRENT LIABILITIES	2,942,100	2,725,497
LONG-TERM DEBT, LESS CURRENT PORTION	1,561,432	1,502,898
OTHER NON-CURRENT LIABILITIES	29,230	28,944
SHAREHOLDERS' EQUITY:		
Common Stock	300,880	300,880
Paid in Capital	3,697	3,697
Retained Earnings	5,589,453	5,516,235
Sub-Total	5,894,030	5,820,812
Less: Treasury Stock	(981,196)	(981,196)
Deferred Compensation	(1,530,048)	(1,487,550)
NET STOCKHOLDERS' EQUITY	3,382,786	3,352,066
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,915,548	$ 7,609,405

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Month Period March 31,	
	1991	1992
NET SALES	$ 3,230,498	$ 2,670,068
COST OF GOODS SOLD	2,550,115	2,171,788
GROSS PROFIT	680,383	498,280
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	553,985	522,069
OPERATING INCOME(LOSS)	126,398	(23,789)
INTEREST INCOME	4,038	1,393
INTEREST EXPENSE	(51,092)	(37,980)
OTHER INCOME, NET	470	1,167
INCOME(LOSS) BEFORE INCOME TAXES	79,814	(59,209)
PROVISION FOR INCOME TAX	392	(3,193)
NET INCOME(LOSS)	$ 79,422	$ (56,016)
AVERAGE SHARES OUTSTANDING	215,187	210,283
EARNINGS(LOSS) PER SHARE	$ .37	$(.27)
CASH DIVIDENDS PER SHARE	$ -	$ -

M. H. RHODES, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	March 31	
	1991	1992
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income(Loss)	$ 79,422	$ (56,016)
Adjustments to reconcile net income(loss) to net cash provided by (used in) operating activities:		
Depreciation	76,481	70,020
Amortization of other assets	1,273	1,134
Amortization of deferred compensation	42,498	42,498
Translation adjustments	430	(17,202)
Gain on sale of assets	(333)	-
Change in assets and liabilities:		
(Increase)decrease in accounts receivable	(146,541)	143,170
Decrease in inventories	201,260	207,610
Increase in prepaid expenses and other	(42,468)	(54,257)
Decrease in accounts payable	(238,525)	(90,253)
Decrease in accrued expenses	(5,704)	(49,030)
Decrease in other noncurrent liabilities	(239)	(286)
Total adjustments	(111,868)	253,404
Net cash provided by (used in) operating activities	(32,446)	197,388
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(7,427)	(31,871)
Proceeds from sale of property , plant and equipment	2,200	-
Net cash used in investing activities	(5,227)	(31,871)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from additional borrowings	220,000	-
Repayments of debt	(202,841)	(135,854)
Net cash provided by (used in) financing activities	17,159	(135,854)
NET INCREASE(DECREASE) IN CASH	(20,514)	29,663
CASH, beginning of quarter	252,437	132,260
CASH, end of quarter	$ 231,923	$ 161,923

M. H. RHODES, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES

1. In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all normal recurring adjustments necessary to present fairly (a) The results of operations for the three month periods ended March 31, 1991 and March 31, 1992, (b) The financial position at March 31, 1992 and December 31, 1991 and (c) The cash flows for the three month periods ended March 31, 1992 and March 31, 1991.

2. The results for the three month period ended March 31, 1992 are not necessarily indicative of the results for the entire year.

3. Inventories consisted of the following:

	December 31 1991	March 31 1992
Raw Materials and Government Parts....	$ 2,209,386	$ 2,113,868
Work in Process	1,830,319	1,835,981
Finished Goods	397,183	279,429
TOTAL	$ 4,436,888	$ 4,229,278

4. The earnings(loss) per share are calculated by dividing the net income(loss) by the weighted average of the outstanding shares. The weighted average of shares outstanding is calculated by adding the number of shares outstanding each day of the period and dividing by the number of days in the period.

5. The consolidated financial statements include the accounts of M. H. Rhodes, Inc. and its 96% owned subsidiary, M. H. Rhodes (Canada) Limited. Certain reclassifications have been made to the December 31, 1991 financial statements in order to make their presentation comparable to that of March 31, 1992.

ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

New orders for the first quarter of 1992 increased 8% compared to the first quarter of 1991. The principal contributing factors for this increase are: 1) An increase in Original Equipment Manufacturers' (OEM) annual blanket orders and 2) Additional business from new products in the Houseware and OEM lines. The total backlog on March 31, 1992 was $2,972,000 compared to $3,335,000 on March 31, 1991, or an 11% decrease.

Net sales for the first quarter of 1992 decreased $560,000 or 17% compared to the first quarter of 1991. This decrease is a reflection of lower shipments in both the U.S. Government and Photocontrol lines in 1992.

Cost of goods sold as a percentage of net sales increased to 81% in the first quarter of 1992 as compared to 79% in the first quarter of 1991. This increase was attributable to lower shipments in the higher margin U.S. Government lines.

Selling, general and administrative expenses increased to 20% of net sales from 17% of net sales as compared to the same quarter in 1991. The majority of selling, general and administrative expenses are fixed. Therefore, these expenses could not be reduced in direct proportion to the decrease in net sales.

Interest income for the first quarter of 1992 decreased due to lower cash balances maintained than in the first quarter of 1991. Interest expense decreased in the first quarter of 1992 as compared to the first quarter of 1991. The contributing factors for this decrease were: 1) Lower interest rates and 2) Retirement of debt related to the Photocontrol acquisition.

On a consolidated basis, M. H. Rhodes, Inc. had a net loss of $56,000 for the first quarter of 1992 as compared to a net income of $79,000 for the first quarter of 1991. Lower 1992 customer shipments contributed to the decrease in net income.

Financial Condition as of March 31, 1992

Working capital for the first quarter of 1992 decreased $50,000. This decrease resulted from working capital used for debt repayments and capital expenditures exceeding working capital generated by operations.

PART II. OTHER INFORMATION

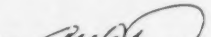
Item 6. Exhibits and Reports on Form 8-K

a. Exhibits - None

b. Reports on Form 8-K - There were no reports on Form 8-k filed for the three months ended March 31, 1992,

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

M. H. RHODES, INC.

BY 
Allan D. Springer
Its Controller/Treasurer and
Chief Financial Officer

Dated: May 11, 1992